



DIVISION OF  
MARKET REGULATION

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549



PROCESSED

MAR 11 2004

THOMSON  
FINANCIAL

February 23, 2004

Mr. Michael Baisley  
President  
Knox Securities Corp.  
33 Riverside Ave., 5<sup>th</sup> Floor  
Westport, CT 06880

Act	Securities Exchange Act of 1934
Section	17(a)
Rule	17a-5
Public	
Availability	2/25/04

Re: Annual Audited Financial Statement Filing Requirements Under Rule 17a-5

Dear Mr. Baisley:

We have received your letter dated February 3, 2004, in which you request on behalf of Knox Securities Corp. (the "Firm"), relief from the requirement that the Firm file a certified annual report of financial statements pursuant to Rule 17a-5 of the Securities Exchange Act of 1934 (17 CFR 240.17a-5) for the fiscal year ending January 31, 2004.

I understand the following facts to be pertinent to the Firm's request. The Firm's registration as a broker-dealer with the Securities and Exchange Commission ("Commission") became effective on January 2, 2004. The Firm is required, pursuant to paragraph (d) of Rule 17a-5, to file a certified annual report of financial statements on a calendar or fiscal year basis. The report must be as of the same fixed or determinable date each year unless a change is approved by the Firm's designated examining authority. The Firm chose January 31 as its year-end. Accordingly, an audited report of the Firm's financial statements must be prepared as of January 31, 2004. Because the Firm's registration with the Commission became effective on January 2, 2004, you have requested an exemption from filing annual audit reports for the year-ended January 31, 2004.

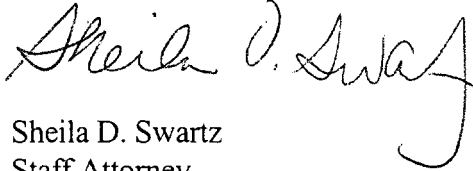
Based on the foregoing facts, the Division of Market Regulation ("Division") will not recommend enforcement action to the Commission if the Firm does not file audited financial statements as of January 31, 2004. However, the annual report for the year ending January 31, 2005, must cover the entire period from January 2, 2004, the effective date of the Firm's registration with the Commission.

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Mr. Michael Baisley  
February 23, 2004  
Page 2

You should understand that this letter expresses a staff position with respect to enforcement only and does not purport to state any legal conclusion on this matter. The Division's position is confined to the facts as described herein. Any material change in circumstances may warrant a different conclusion and should be brought immediately to the Division's attention.

Sincerely,

A handwritten signature in cursive script, reading "Sheila D. Swartz". The signature is written in dark ink and is positioned above the printed name and title.

Sheila D. Swartz  
Staff Attorney

cc: Susan Demando, NASD Regulation

Sheryl

**Knox Securities Corp.  
33 Riverside Ave, 5<sup>th</sup> Floor  
Westport, CT 06880**

February 3, 2004

Securities and Exchange Commission  
Division of Market Regulations  
Attn: Thomas McGowan, Asst. Director  
450 Fifth St. NW  
Washington, DC 20549

**RE: Knox Securities Corp. (CRD# 127436)**


Dear Mr. McGowan:

We respectfully request a waiver of the annual audit requirement pursuant to rule 17a-5 for Knox Securities Corp. ("KSC") for the period from January 2, 2004 to January 31, 2004. KSC received its NASD membership on January 2, 2004 and has a fiscal year end of January 31. Our request is based on the fact that our fiscal year would be comprised of only 20 business days (the "Stub Period") and we anticipate reporting only minimal activity during such period.

We intend to file audited financial statements for our first complete fiscal year ended January 31, 2005, and include the activity during the Stub Period, effectively resulting in a 13-month year. KSC is engaged in the business of merger and acquisition advisory services, general business consulting and private placements. KSC neither carries customer accounts nor safeguards customer securities and is exempt from the related provisions of Rule 15c3-3. Further, we have one registered office and employ five (5) associated persons.

The firm is currently in compliance with the Net Capital Rule, filing monthly statements of financial position with the NASD as required and will make all the required additional unaudited filings. Please advise on our audit waiver request at your earliest convenience. I can be reached at phone (203) 226-6288 x118 or facsimile (203) 226-8022.

Sincerely,



Michael Baisley  
President  
Knox Securities Corp.

Cc: Mark Ramler, Grant Thornton LLP  
Rassany Khakeo, NASD Boston District

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\*\*\* RX REPORT \*\*\*  
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RECEPTION OK

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33 Riverside Avenue  
5th Floor  
Westport, Connecticut 06880  
Phone: 203-226-6288  
Fax: 203-226-8022

FACSIMILE TRANSMITTAL

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To: Shiela Swartz From: Michael Bausley  
Company: SEC  
Fax #: 202-942-9553 Date: 2/23/04  
cc: \_\_\_\_\_ Number of pages: 2

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• **Comments:** If there are any problems receiving this facsimile, please contact our office at (203) 226-6288 immediately. The information contained in this facsimile transmittal is intended only for the personal and confidential use of the designated recipient(s) named above.

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Pursuant to our conversation.

Thank you,

A handwritten signature, likely of Michael Bausley, is written below the 'Thank you,' text. The signature is stylized and appears to be in dark ink.

David

**Knox Securities Corp.  
33 Riverside Ave, 5<sup>th</sup> Floor  
Westport, CT 06880**

February 3, 2004

Securities and Exchange Commission  
Division of Market Regulations  
Attn. Thomas McGowan, Asst. Director  
450 Fifth St. NW  
Washington, DC 20549

SECURITIES AND EXCHANGE COMMISSION  
FEB 04 2004  
DIVISION OF MARKET REGULATION

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Sincerely,



Michael Baisley  
President  
Knox Securities Corp.

CRD 1/2/2004 ✓  
SEC

Cc: Mark Ramler, Grant Thornton LLP  
Rassany Khakeo, NASD Boston District